

**Introduced by Senator Ashburn**February 22, 2005

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An act to amend Section 20677.4 of the Government Code, relating to public employees' retirement.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1065, as introduced, Ashburn. Public Employees' Retirement System.

The Public Employees' Retirement Law prescribes the rights and benefits of the members of the Public Employees' Retirement System. The law provides for different rates of contributions by various classifications of members.

The bill would make a nonsubstantive, technical change to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 20677.4 of the Government Code is  
2 amended to read:  
3 20677.4. (a) (1) The normal rate of contribution for a state  
4 miscellaneous or state industrial member whose service is not  
5 included in the federal system shall be 6 percent of the  
6 compensation in excess of three hundred seventeen dollars  
7 (\$317) per month paid to that member for service rendered on or  
8 after July 1, 1976.  
9 (2) The normal rate of contribution for a state miscellaneous or  
10 state industrial member, who has elected to be subject to Section

1 21353.5 and whose service is not included in the federal system,  
2 shall be 6 percent of the member's compensation.

3 (3) The normal rate of contribution ~~as established~~ under this  
4 subdivision for a member whose service is included in the federal  
5 system, and whose service retirement allowance is reduced under  
6 Section 21354.1, because of that inclusion, shall be reduced by  
7 one-third as applied to compensation not exceeding four hundred  
8 dollars (\$400) per month for service after the date of execution of  
9 the agreement including service in the federal system and prior to  
10 termination of the agreement with respect to the coverage group  
11 to which he or she belongs.

12 (b) The normal rate of contribution for a state miscellaneous or  
13 state industrial member whose service has been included in the  
14 federal system shall be 5 percent of compensation in excess of  
15 five hundred thirteen dollars (\$513) per month paid that member  
16 for service rendered on or after July 1, 1976.

17 (c) The normal rate of contribution for a state miscellaneous or  
18 state industrial member who is subject to Section 21076 or 21077  
19 shall be 0 percent.

20 (d) A member who elected to become subject to Section 21353  
21 solely for service rendered on or after the effective date of the  
22 election, as authorized by subdivision (c) of Section 21070  
23 during the period between November 1, 1988, and October 31,  
24 1989, is not required to make the contributions specified in  
25 Section 21073.

26 (e) A member who elects to become subject to Section  
27 21354.1, as applicable, shall contribute at the rate specified in  
28 paragraph (1) of subdivision (a) or paragraph (1) of subdivision  
29 (b), as determined by the member's status with the federal  
30 system, and the rate shall be applied from the first of the month  
31 following the date of the election. A member who makes the  
32 election shall also contribute for service prior to the date the  
33 contribution rate was applied, in the manner specified in Section  
34 21073 or 21073.1, as applicable.

35 (f) If the provisions of this section are in conflict with the  
36 provisions of a memorandum of understanding reached pursuant  
37 to Section 3517.5, the memorandum of understanding shall be  
38 controlling without further legislative action, except that if the  
39 provisions of a memorandum of understanding require the  
40 expenditure of funds, the provisions shall not become effective

1 unless and until approved by the Legislature in the annual Budget  
2 Act.

3 (g) The Director of the Department of Personnel  
4 Administration may establish the normal rate of contribution for  
5 a state employee who is excepted from the definition of “state  
6 employee” in subdivision (c) of Section 3513, and an officer or  
7 employee of the executive branch of state government who is not  
8 a member of the civil service. The normal rate of contribution  
9 shall be the same for all members identified in this subdivision.  
10 The contribution rate shall be effective the beginning of the pay  
11 period indicated by the Director of the Department of Personnel  
12 Administration but shall be no earlier than the beginning of the  
13 pay period following the date the board receives notification.

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